TELEFONICA BRASIL S.A.
Form 6-K
February 22, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of February, 2017

Commission File Number: 001-14475

TELEFÔNICA BRASIL S.A.
(Exact name of registrant as specified in its charter)

TELEFONICA BRAZIL S.A.
(Translation of registrant's name into English)

Av. Eng° Luís Carlos Berrini, 1376 - 28º andar
São Paulo, S.P.
Federative Republic of Brazil
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F	X	Form 40-F	

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes		No	X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes	No	X

HIGHLIGHTS

- **Total accesses** came to 97.1 million in December (-0.1% y-o-y), 73.8 million of which in the mobile business (+0.7 y-o-y) and 23.4 million in the fixed business (-2.4% y-o-y);
- **Market share** expansion, reaching 30% in December 2016 (+1.8 p.p. y-o-y);
- **Mobile ARPU** recorded y-o-y growth of 10.8% in 4Q16, fueled by the higher share of postpaid clients in the mix and the higher data usage, whose ARPU increased by 31.8% y-o-y in 4Q16, corresponding to 62.3% of total ARPU;
- **Broadband accesses** totaled 7.3 million customers in 4Q16 (+2.5% y-o-y), with FTTx* connections accounting for 57% of the base, accompanied by y-o- y growth of 9.3%. Broadband ARPU increased 7.5% in 4Q16 over 4Q15, influenced by the growth in the ultra-broadband customer base;
- **Net operating service revenue** grew 1.8% in 4Q16 over 4Q15 (4.2% up y-o- y excluding regulatory effects), and 1.7% in 2016 over 2015, maintaining the positive trajectory observed throughout the year;
- **Mobile services revenue** rose 3.9% y-o-y in 4Q16. Excluding the effect from MTR reductions in 2016, this line increased 6.2% over 4Q15. **Data and digital services revenue** increased 23.7% y-o-y in 4Q16, accounting for 62% of mobile services revenue;
- **Operating costs** fell 1.1% in 4Q16 over 4Q15. Excluding the effect from the corporate restructuring in 4Q16, the reduction was 1.8% (LTM IPCA +6.3%), reflecting the continuous efforts to reduce costs by focusing on increasing efficiency and synergies;
- **EBITDA** totaled R$3.6 billion in 4Q16, 5.6% up on 4Q15, accompanied by an **EBITDA margin** of 33.3% (+1.4 p.p. y-o-y). Excluding the R$52.5 million non- recurring effect in 4Q16, **EBITDA** moved up by 7.1% over the previous year, with a **margin** growth of 1.9 p.p., fueled by the capture of synergies and efficiency initiatives. In 2016, **recurring EBITDA** totaled R$13,663 million (+7.3% y-o-y), accompanied by an **EBITDA margin** of 32.1% (+1.9 p.p. y-o- y);
- **CAPEX** amounted to R$2.8 billion in 4Q16 and R$8.0 billion in 2016, excluding the investment in licenses made in the third quarter. **EBITDA - Capex** grew 28.2% in 2016 over 2015, reaching R$5.7 billion;
- The focus on executing **synergies** guaranteed the capture of 71% of NPV of best scenario and the full capture of the NPV of base scenario.
- **Net income** totaled R$4,085 million in 2016 (+22.6% y-o-y), with **IOC** and **dividends** for the fiscal year amounting to R$4.1 billion[4] , resulting in a payout of 105.6% on adjusted net income.

Notes: (1) The figures reflect the combined results of Telefônica Brasil and GVT for all periods. (2) y-o-y: annual variation and (3) q-o-q: quarterly variation. *FTTx includes clients of the FTTH (Fiber to the Home) and FTTC (Fiber to the Curb) technologies. (4) To be ratified during the General Shareholders Meeting of 2017, to be held on April, 26 2017.

Telefônica Brasil S.A. (BM&FBOVESPA: VIVT3 and VIVT4, NYSE: VIV), discloses today its results for the fourth quarter of 2016, presented in accordance with the International Financial Reporting Standards (IFRS) and with the pronouncements, interpretations and guidelines provided by the Accounting Pronouncements Committee. Totals are subject to differences due to rounding up or down.

For comparison purposes, we present the **pro forma** scenario combined for the twelve months of 2015, including GVT Participações S.A.

HIGHLIGHTS

Net Operating Revenues	10,873.6	10,760.8	1.0	10,693.4	1.7	42,508.4	42,133.7	0.9
Net Operating Services Revenues	10,596.8	10,411.6	1.8	10,386.1	2.0	41,312.9	40,640.0	1.7
Net operating mobile revenues	6,315.8	6,077.6	3.9	6,131.7	3.0	24,342.7	23,642.5	3.0
Net operating fixed revenues	4,281.0	4,333.9	(1.2)	4,254.4	0.6	16,970.2	16,997.5	(0.2)
Net handset revenues	276.9	349.3	(20.7)	307.3	(9.9)	1,195.6	1,493.7	(20.0)
Operating costs	(7,250.3)	(7,328.6)	(1.1)	(7,283.1)	(0.5)	(28,486.0)	(29,419.5)	(3.2)
*Recurring Operating costs**	*(7,197.8)*	*(7,328.6)*	*(1.8)*	*(7,283.1)*	*(1.2)*	*(28,845.8)*	*(29,400.3)*	*(1.9)*
EBITDA	3,623.3	3,432.2	5.6	3,410.3	6.2	14,022.4	12,714.2	10.3
EBITDA Margin %	33.3%	31.9%	1.4 p.p.	31.9%	1.4 p.p.	33.0%	30.2%	2.8 p.p.
*Recurring EBITDA**	3,675.8	3,432.2	*7.1*	3,410.3	*7.8*	13,662.6	12,733.4	*7.3*
*Recurring EBITDA Margin %**	*33.8%*	*31.9%*	*1.9 p.p.*	*31.9%*	*1.9 p.p.*	*32.1%*	*30.2%*	*1.9 p.p.*
Net income	1,214.8	1,114.5	9.0	952.7	27.5	4,085.2	3,331.2	22.6
Capex	2,800.1	2,372.3	18.0	2,126.4	31.7	8,189.1	8,318.8	(1.6)
Operational Cash Flow**	875.7	1,059.9	(17.4)	1,469.3	(40.4)	5,658.9	4,414.6	28.2
Total accesses (thousand)	97,129	97,204	(0.1)	97,202	(0.1)	97,129	97,204	(0.1)
Total mobile accesses	73,778	73,268	0.7	73,495	0.4	73,778	73,268	0.7
Total fixed accesses	23,352	23,935	(2.4)	23,707	(1.5)	23,352	23,935	(2.4)

(*) Adjusted by the towers sale in the 1Q16 in the amount of R$513,5 million, provision for corporate restructure in 2Q16 in the amount of R$ 101.2 million, R$ 19.2 million in the 3Q15 and R$ 52.5 million in the 4Q16. (**) Operational Cash Flow is calculated using recurring EBITDA and recurring Capex.

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MOBILE BUSINESS

OPERATING PERFORMANCE

Mobile total accesses	73,778	73,268	0.7	73,495	0.4	73,778	73,268	0.7
Postpaid	33,391	31,074	7.5	32,499	2.7	33,391	31,074	7.5
Postpaid ex. M2M/Dongles	26,123	23,852	9.5	25,313	3.2	26,123	23,852	9.5
M2M	5,013	4,242	18.2	4,778	4.9	5,013	4,242	18.2
Prepaid	40,387	42,194	(4.3)	40,996	(1.5)	40,387	42,194	(4.3)
Market Share (*)	30.2%	28.4%	1.8 p.p.	29.3%	1.0 p.p.	30.2%	28.4%	1.8 p.p.
Postpaid	42.1%	42.4%	(0.3) p.p.	42.4%	(0.4) p.p.	42.1%	42.4%	(0.3) p.p.
Mobile broadband (modem only)	39.4%	50.3%	(11.0) p.p.	39.5%	(0.1) p.p.	39.4%	50.3%	(11.0) p.p.
Net additions	283	(6,145)	n.a.	191	48.2	509	(6,669)	n.a.
Postpaid	891	639	39.5	870	2.5	2,317	2,719	(14.8)
Market Share of postpaid net additions	33.1%	69.0%	(35.9) p.p.	45.2%	(12.1) p.p.	38.0%	49.7%	(11.6) p.p.
Market penetration	118.0%	125.6%	(7.6) p.p.	121.6%	(3.6) p.p.	118.0%	125.6%	(7.6) p.p.
Monthly churn								